

1 for them to do the fulfillment, there's a lot to it,  
2 but it has to be properly packaged. So -- and, again,  
3 they go on to say, it helps reduce delays in receiving  
4 items and protects your products while in our  
5 fulfillment centers and creates better customer  
6 service. If you ship it to them and it's not prepped  
7 correctly, they will refuse to ship it.

8 Now, you can pay for Amazon to do the prep  
9 work for you, but here's the thing about Amazon's prep  
10 work. They are very proud of that service. So they  
11 will charge you an arm and a leg. So if you have a  
12 local warehouse and they will do the FBA prep work,  
13 use them. If you don't, you can team up with us. Our  
14 warehouse does all that prep work as well. But we  
15 make sure it's to the Amazon standard because they  
16 give you everything that's required for the package.  
17 They show you, if you're going to do bundles, how you  
18 have to package those bundles up to get it to them.

19 They show you, okay, if it's packaged this  
20 way, we will not accept it. Those reduce shipment,  
21 guys. Now it's going to take you time and money to  
22 fix it to get it what they want. They'll show you  
23 what you have to do for the size requirements, how it  
24 has to be weighed. All of those things play a role in  
25 how you package it individually -- individually

1 bagged, individually boxed items, how you wrap it, how  
2 you protect those things, right, the bubblewrapping.

3 Even shipping a pallet to Amazon, that's how  
4 strict they are. In fact, if you ship a box that's  
5 more than 50 pounds, they'll just refuse it because  
6 that doesn't fit within their system.

7 Now, how many of you have bought a product  
8 on Amazon that's been heavier than 50 pounds? Yeah.  
9 They have centers that do it, but you have to set that  
10 up beforehand. You can't just ship it to them and say  
11 I've built a bigger product. They'll just refuse  
12 shipment because it doesn't fit within their system.

13 They have a system in place, guys. You just  
14 have to follow their system. They tell you exactly  
15 what it is, right? Twenty pounds or less, 18 inches,  
16 14 inches on one side, 8 inches on the other side.  
17 They show you exactly (inaudible) requirements, again,  
18 because everything's automated. Their robots only  
19 know how to pull certain products, but they'll list  
20 everything that you have to have for your packaging  
21 requirements.

22 If you're doing the FBA prep, it's going to  
23 cost you time and money, yes? Guys, I told you how my  
24 time is way more valuable than money. I don't want to  
25 spend it. I'd rather have somebody else do the prep

1 work for me. Now, when it comes to Sellers Playbook,  
2 guys, I'm not saying this just because I'm -- I'm  
3 representing them this weekend. They are, by far, the  
4 cheapest I have found when it comes to (inaudible).  
5 That's the only reason I still use them. It's my  
6 business, so I'm going to use whoever I can, but these  
7 guys, by far, are the cheapest out there.

8           And they -- they do a lot of things, and  
9 we'll talk about more of this even tomorrow and on  
10 Sunday about the little things that they'll do to get  
11 my (inaudible) in there, my thank-you card, my little  
12 pieces that Amazon won't do and nor will a lot of  
13 other prep centers. But, again, we just have to prep  
14 it to fit in Amazon's (inaudible).

15           So if you're going to do it yourself,  
16 meaning if you're going to do FBM, this is the stuff  
17 you really got to consider. Again, you're going to  
18 treat this as a business, guys, you got to account for  
19 your business. Right, so, when we talk about what are  
20 you paying for your storage space, if you're giving up  
21 your garage, you got to charge yourself for that  
22 space. If you're going to rent a warehouse to do it,  
23 because you can't receive a lot of those products  
24 shipping, then that's going to play a role in there as  
25 well.

1                   Again, a lot of people are thinking I'll  
2 just do it for free because it's mine, but if you're  
3 working 60 hours a week, you're not working for free,  
4 are you? You've got to account for these costs, guys  
5 (inaudible). Time and fuel for the (inaudible) right,  
6 the equipment. So even if you're doing the shipping,  
7 you understand, it still has to fit Amazon standards,  
8 yes? Right, so you can't save money on boxes and go  
9 to Walmart and pick up their banana boxes.

10                  So let me ask you this. How many of you in  
11 here have ordered stuff on Amazon and when you got the  
12 product it was not in a smile box? Yeah, that's the  
13 FBM prep. It still is either a white or tan box,  
14 right? If I order something on Amazon and it's not  
15 FBA -- FBM, it doesn't come in a smile box. The only  
16 time you get that smile box is if it's coming FBA prep  
17 (inaudible). But there are people that do FBM all the  
18 time. If I order a product and it showed up in a used  
19 banana box, yeah, I'm sending it back, right? Or I'm  
20 calling Amazon, like, what the crap? Why am I getting  
21 this in a banana box? You still have to do the  
22 standards.

23                  So you got to account for your postal, your  
24 printers, your scanners, the tape that you're using,  
25 all of that stuff, right? The bag. So when you're

1       doing a t-shirt and you're doing a lot of clothing  
2       stuff, it has to be individually bagged. But if it's  
3       a big bag for the t-shirt, it has to have the warning  
4       labels on it, right? It has to have the ASIN, and it  
5       has to have all that stuff on there, right? The  
6       boxes, the tape, the printer, all that stuff, guys, is  
7       going to play a role.

8                 If you're going to do this as a business, do  
9       FBA. It doesn't make sense to do it FBM. The only  
10      time that it makes sense to do FBM is what I'm going  
11      to teach you guys this afternoon after lunch, which is  
12      retail and online arbitrage. My rule of thumb with my  
13      kids, if it's 12 items or less, we do FBM. If it's 12  
14      items or more, we'll only do FBA. But if you're  
15      buying products onesie-twosies with retail arbitrage  
16      or online arbitrage, it doesn't make sense to do FBA.  
17      It makes more sense just to do FBM.

18                 But I want my kids involved in this as well.  
19      I want them to have that hands-on. Make sense? So  
20      for me, I know, five, ten bucks a pop doesn't excite  
21      me, but for a 12-year-old, a 9-year-old, oh, that  
22      excites them all day long. Make sense? Okay.

23                 So, again, if you're going to do it, guys,  
24      just treat it as a business, because if you do it that  
25      way, that's what it becomes. But this is the biggest

1       stuff to consider. Number one, how much time are you  
2       spending shipping products? Number two, when you  
3       estimate when you are sourcing -- because you either  
4       spend 95 percent of your time looking for products and  
5       trying to package them all or 95 percent of your time  
6       selling products and making money.

7                 I mean, the choice is yours, right? How  
8       much would you earn if you were prepping and you had  
9       somebody else and you could spend more time sourcing,  
10      because that's what you've got to account for: time  
11      prepping times your hours gives you what your value is  
12      going to be. And when we run some of the numbers  
13      today, you'll start seeing why it is that most of us  
14      do FBA, because just like that couple that came in  
15      here, the only reason was they were doing FBM, because  
16      on eBay, that's the only way you can do it. But,  
17      again, they were working 60-plus hours every single  
18      week to make it happen.

19                 It's just not worth it for me. It's not  
20       worth my time. But it's just having the right skills  
21       in place to make those things work. And we've got a  
22       lot of this in play already for you. In fact, our  
23       warehouse manager, Kelly, she is awesome. In fact,  
24       I've got a quick clip of her talking about what we're  
25       able to do for our students.

1 (Video played as follows.)

2 KELLY: I love what I do (inaudible). I  
3 love being able to teach my customers is I want to  
4 (inaudible) sharing the emails back and forth and  
5 helping them to -- to realize their dreams, and seeing  
6 all the things that come in and the imagination, and  
7 it's just amazing, it's wonderful.

8 But that's why Sellers Playbook is here

9 You know, I can't even imagine trying to navigate the  
10 minefield that is fulfillment by Amazon without a  
11 guide that shows us, somebody to show you where those  
12 lines are and -- and try to avoid at least most of  
13 them. And without Sellers Playbook, I wouldn't --  
14 there's no way. There's no way. There's too much  
15 (inaudible).

16 (Video concludes.)

17 MIKE SCHREINER: So that's the nice thing is  
18 when Kelly preps the product, it never comes back  
19 because she makes sure that she knows exactly what  
20 it's got to be for the Amazon standard, so it doesn't  
21 come back. It's going to save you a lot of time and  
22 I'm sure it will save you a lot of money. But, again,  
23 it's just getting the right people in place that know  
24 what you don't know.

Now, the cool thing with Kelly, and she

1       (inaudible) they can customize to yours. So here's  
2       the thing, guys. We'll talk about listening to your  
3       (inaudible). When you start doing private label  
4       products, you got to build a list, right, because  
5       you're not going to be able to key in any ASIN. It's  
6       going to be a whole new ASIN.

7           Well, the main photo that you have to take  
8       for your store, you understand that main photo is  
9       going to be white background, minimum a thousand  
10       pixels. It's not even a question. If it's not that,  
11       Amazon won't let your site go live. Well, how many of  
12       you have the ability to do a picture of a product with  
13       white background, minimum a thousand pixels? I don't,  
14       but the warehouse does.

15           So you just got to team up with people that  
16       have what you don't have again. So it's who you are  
17       going to partner up with. Make sense? Yes, no?

18           AUDIENCE: Yes.

19           MIKE SCHREINER: When it comes to coaches,  
20       there is not a wealthy person in this country that  
21       made their money on their own. Even Warren Buffett  
22       attributes his true wealth from learning from his  
23       coach. I love Warren Buffett's story. One of my  
24       favorite things about Warren Buffett, though, is he  
25       has same the ideology I have, and here's what I mean.

1           I do not pay my kids to live in my home.  
2       See, I don't give my kids an allowance. If I give my  
3       kids an allowance, they win, I lose. I give my kids  
4       knowledge. I shared with them our business. They  
5       win, I win because they're going to keep winning,  
6       because now their kids are going to learn the same  
7       thing. Make sense?

8           And like I told you guys, look, if something  
9       was to happen to me and my wife today, my kids  
10      (inaudible) business, they don't (inaudible). They're  
11      all teenagers, but to me, that's what it's about,  
12      right? It's getting them into place so I don't have  
13      to. Has anyone in here ever read the book The  
14      Millionaire Next Door? Really? Oh, you should, guys.

15           The Millionaire Next Door, it really is kind  
16      of a picture of what Warren Buffett's life  
17      (inaudible). He drives an older car, right? He  
18      doesn't live in a castle (inaudible). He's not one of  
19      the richest people in the -- in the country. He's one  
20      of the richest people in the world. But you wouldn't  
21      know it if you saw him walking down the street. It's  
22      awesome. But I love him, in fact, because he makes  
23      his kids get jobs, well, work businesses anyway. His  
24      kids will never have to worry about it. In fact, his  
25      great-great-great grandkids would never have to

1 worry about it.

2           But he wants to make sure that they've  
3 got -- they're committed, they got skin in the game.  
4 It's no entitlement. Unfortunately, that's something  
5 that kills our country right now is that entitlement  
6 mentality, isn't it?

7           AUDIENCE: Yep.

8           MIKE SCHREINER: That was one thing I loved,  
9 I mean, growing up, in the car, my dad used to say all  
10 the time, nobody owes you nothing. You want it, you  
11 go get it. He said nobody's going to bring you  
12 anything on a silver platter. You've got to have skin  
13 in the game.

14           All right, so today we're going to spend  
15 more time talking about -- so this morning I talked  
16 about thinking like an entrepreneur. We're going to  
17 spend more time talking about raising seed capital,  
18 take our lunch break, and then we're going to talk  
19 about retail online arbitrage, drop shipping, and  
20 overstocking.

21           Tomorrow, we're going to spend more time on  
22 wholesaling. This is where we can start making 20 to  
23 35, 40 percent return on our -- on our investment,  
24 right? We start doing bigger deals. It's all about  
25 running the numbers. We're going to run a ton of

1 numbers with you tomorrow. We'll talk about the rules  
2 of (inaudible) how to source these products, how to  
3 automate the system.

4 On Sunday is when we're going to spend more  
5 time on private label, white-labeled products, how to  
6 brand. And you'll see branding is one of the biggest  
7 things, right? So everything we talk about today and  
8 tomorrow, the biggest expense you're going to face is  
9 shipping. Sunday, it's shipping and marketing because  
10 when you're doing a white label or private label  
11 products, you've got to be able to market (inaudible)  
12 something new you are bringing to the marketplace.

13 We'll talk about store performance, just  
14 running the rules and plans and then, like I said, I'm  
15 going to add in some tax planning and asset protection  
16 as well on Sunday.

17 So we've got three types of income, guys.  
18 We've got earned income, passive income, and portfolio  
19 income. There's only three ways to make money in this  
20 country. Here's the interesting thing, guys.  
21 Everything we do, everything we do in our lives, is  
22 either going to make us money or cost us money.  
23 That's it, because there's only three ways to make  
24 money.

25 So let's talk about it. Earned income, this

1       is trading time for money. This is where you do a job  
2       once, you get paid one time for it. For most of you  
3       all right now, it is your jobs, right? When it comes  
4       to our businesses, it's retail online arbitrage, it's  
5       dealing with drop shipping products, and overstock,  
6       meaning they're not (inaudible) they're not pre-  
7       giftable, but you can make money with them.

8           They're proven and they're simple, but they  
9       have to fit in all four categories. It has to be  
10       proven; it has to be simple, so we need it to be  
11       duplicatable and predictable. Retail and online  
12       arbitrage, overstocking, it's not that way. In fact,  
13       we had a couple -- you guys remember when Sports  
14       Authority went out of business?

15           AUDIENCE: Yes.

16           MIKE SCHREINER: So we had a couple that  
17       came to our training. Now, their son was buddies with  
18       his buddy, was a manager of one of those stores. So  
19       they knew it was coming before it ever got released.  
20       So as soon as they started liquidating that -- those  
21       products, that family jumped onboard because they knew  
22       it was coming before. So they ramped up for it.

23           In a month and a half, they bought every  
24       product they could, and in a month and a half, they  
25       made \$78,000 selling the products. Killed it, right?

1 Over the next six months, they spent 65 percent of  
2 their profit, 65 percent of that 78,000, trying to  
3 duplicate. That's when they came into a room like  
4 this because they couldn't duplicate what they did  
5 that first time.

6 As I was saying, guys, Amazon is not about a  
7 one-hit deal. Right? If that's all you're looking  
8 for is a one-hit wonder, stick with eBay. Okay,  
9 because we got to get things that are consistent and  
10 predictable. That's really where more wholesaling  
11 comes in.

12 So that becomes the number two, which is our  
13 passive income. So this is where you do a job once,  
14 you get paid time and time and time again for it. So  
15 this is doing our wholesaling, right? It also  
16 definitely is our private label product lines. So  
17 when we talk about private label, guys, it's a whole  
18 'nother level. With a private label, you're making  
19 anyway 40, 60 percent ROI on your investment, maybe --  
20 I've seen the above 75 percent for some of these.

21 But we control that market because we  
22 control the ASIN. So if I have a private label  
23 product, how often can I win the buy box?

24 AUDIENCE: All --

25 MIKE SCHREINER: A hundred percent, right?

1      Because it's a new product line, so I (inaudible).  
2      Now, just -- I'll get into this more so on Sunday,  
3      guys, but understand, too, when it comes to private  
4      label, it's not necessarily that you're always  
5      creating a whole new product line. I'm not that  
6      creative. Sometimes it's just fixing things that are  
7      already problems that people are already buying. When  
8      we provide a fix, we can still win that market. Does  
9      that make sense? We'll talk more about that on Sunday  
10     as well.

11           Now, portfolio income, this is where our  
12     money makes money for us. This is where you really  
13     now become the bait. See, when you become the bait,  
14     guys, for every dime you lend out, you're going to get  
15     a dollar in return. Because the banks, like I told  
16     you guys, they're awesome. They are the best  
17     leveragers in the world.

18           I mean, let's just talk about your mortgage  
19     and you guys living in your homes. You understand,  
20     you buy a home down here for \$2-, \$300,000, at the end  
21     of your mortgage, you've paid \$6-, \$700,000 for that  
22     same home. That's why, guys, because every time you  
23     lend out you're going to make a dollar in return.  
24     When we come to a bank now, we can fund startup  
25     companies, we can fund private label products, we can

1 fund those types of things where we're making money  
2 hand over fist. Make sense?

3           But, again, that's something you got to  
4 move into. You're not going to start (inaudible).  
5 Just like I said, you're not going to start as a  
6 private -- now, some of you do have products already.  
7 You will -- we'll be able to get you a (inaudible) you  
8 can jump right into private label products, because we  
9 have sourcing crews, we've got people that will find  
10 manufacturers, all that in play. But more times than  
11 not we're going to start with retail and online  
12 arbitrage. It's what I'm going to teach you today,  
13 and then we'll move on to our wholesalers and our  
14 liquidators, and then we move to the private label.

15           So you all see the circle of wealth, yes?  
16 Yes?

17           AUDIENCE: Yes.

18           MIKE SCHREINER: Okay, forget about it, but  
19 in your notes, I do want you to draw a circle. We're  
20 just going to separate this, and I'm going to change  
21 that just a little bit. So on the circle, I want you  
22 to make six pieces of pie. So separate that circle  
23 into six pieces.

24           In the top part, I want you to write  
25 knowledge, mentoring, and tools of a pro. So

1 knowledge, mentor, tools of a pro.

2 Going counter-clockwise, in the next one, I  
3 want you to put asset protection. Underneath that, I  
4 want you to put portfolio income. Put passive income.  
5 And then earned income. And then the last piece, I  
6 want you to put seed capital.

7 So knowledge, mentor, tools of a pro. Sorry  
8 about the handwriting, guys. It's hard to write on  
9 these iPads. My handwriting sucks anyway, but  
10 knowledge, mentor, tools of a pro, asset protection,  
11 portfolio income, passive income, earned income, and  
12 seed capital.

13 So you all know what knowledge is. You're  
14 starting to understand what mentors are. What are  
15 some tools of a pro?

16 AUDIENCE: (Inaudible).

17 MIKE SCHREINER: I want something more  
18 tangible. A real system, but what's more tangible?

19 AUDIENCE: (Inaudible).

20 MIKE SCHREINER: Say again.

21 AUDIENCE: (Inaudible) warehouse.

22 MIKE SCHREINER: Okay, warehouses, right.  
23 What are you going to use for your warehousing, your  
24 FBA prep. Good.

25 What else?

1                   AUDIENCE: (Inaudible).

2                   MIKE SCHREINER: Yeah -- yes and no. When  
3 we're talking about what we're talking about today and  
4 tomorrow, we don't have to really worry about the  
5 margins.

6                   AUDIENCE: (Inaudible).

7                   MIKE SCHREINER: Yeah, with retail  
8 arbitrage, same thing. We don't really have to worry  
9 about that stuff. That's not really a tool.

10                  Okay, here's what I mean, guys. How many of  
11 you in the room would like to wake up, say, 7:00 in  
12 the morning, go downstairs in your house and put on  
13 your new uniform, which is going to be your what?

14                  AUDIENCE: Robe.

15                  MIKE SCHREINER: Yeah, your diamond-  
16 encrusted robe, sit down in front of your computer,  
17 and pull up all of your listings for the day, have  
18 access to over 200,000 line items of ASINs already  
19 researched, being able to track out your product to  
20 see what products you can start spooling down, which  
21 ones you need to start adding in to get you where you  
22 want to be. Having access to that, how many of you  
23 would like (inaudible)? Yeah. So what I'm talking  
24 about now is software, right? Which software are you  
25 using? In fact, whose contract are you using when you

1 start negotiating with wholesalers, liquidators,  
2 private label manufacturers, right? Whose negotiating  
3 on your behalf, guys?

4 We have a tracking software program that not  
5 only you get access to over 200,000 line items with  
6 the ASINs already researched, your profit margins  
7 already in there and who to contact, who to order  
8 those from, we've got something called an SBS tracker.  
9 These are plugging in those ASIN numbers because  
10 there's going to be peaks in every product line, yes  
11 or no?

12 AUDIENCE: Yes.

13 MIKE SCHREINER: So we may see that this  
14 month they're selling 10,000 units a month, right, but  
15 every other month they're only selling 6,000. So we  
16 need to be able to track that out because there's  
17 going to be highs and lows in everything that's going  
18 on. But one thing we cannot change is people's buying  
19 patterns. All we can do is find out what their buying  
20 patterns are, and then sell what they're buying. Make  
21 sense? So that's what we're talking about (inaudible)  
22 software we're tapping into.

23 Now, asset protection I'm going to spend  
24 more time on when it comes to Sunday. But like I  
25 said, guys, with the right asset protection in place,

1 it's impossible to lose what you've got.

2 Now, portfolio, passive, and earned income,  
3 we've already gone over. What would be some seed  
4 capital? What is seed capital?

5 AUDIENCE: Cash.

6 MIKE SCHREINER: Not necessarily cash. And  
7 here's the thing, too, I want you to take cash out of  
8 your minds because here's the problem with your cash.  
9 With -- your cash should be used for what you want,  
10 meaning you should use it for education. You should  
11 use it for even your vacations. When it comes to our  
12 business, we've got to start using other people's  
13 money. See, here's the problem with all of your cash.  
14 You tie all of your cash into one deal and then a  
15 second deal comes along, now what?

16 AUDIENCE: (Inaudible).

17 MIKE SCHREINER: You can't do it. Or even  
18 worse, okay, so let's put a worst-case scenario.  
19 Let's say you dump all of your money into a product  
20 line, and then that whole product line goes south.  
21 What just happened to all of your cash?

22 AUDIENCE: It's gone.

23 MIKE SCHREINER: It's gone. Right? I mean,  
24 I do it all on a credit card. Here's the thing. Do I  
25 ever have to pay off my credit card, yes or no?

1                   AUDIENCE: Yes.

2                   MIKE SCHREINER: No. Guys, these credit  
3                   card companies will bleed you for the rest of your  
4                   life if you let them. Right, in fact, 93 percent of  
5                   Americans right now, that's exactly what they're doing  
6                   because they don't understand credit. But for me,  
7                   same scenario. I put it all on a credit card and  
8                   everything goes south, I'll just fold that onto  
9                   another card, right? I'll hold that debt. In fact,  
10                  I'll call the credit card company and renegotiate my  
11                  payments, renegotiate my terms.

12                  Do credit cards want their money, yes or no?

13                  They want their money, but I can always negotiate that  
14                  stuff away, versus using my cash. In fact, we had a  
15                  student of ours -- because that's the thing, guys.

16                  Look, at Sellers Playbook, we will not let you make a  
17                  mistake, but we can't stop you from (inaudible).

18                  We had one of our students jump onto the fad  
19                  of fidget spinners. The problem was he got into it  
20                  too late because it was already on the decline. He  
21                  asked our coaches, hey, is this a good deal, I just  
22                  found a manufacturer, what do you think? And what do  
23                  you think we told him?

24                  AUDIENCE: No.

25                  MIKE SCHREINER: No. What did you think he

1 still did? He thought it -- he thought it was going  
2 to last forever because his kids loved them. Now he's  
3 sitting with two pallets full of spinners that he  
4 can't sell. The interesting thing about that, though,  
5 do you think he blamed himself, or do you think he  
6 blamed us?

7 AUDIENCE: (Inaudible).

8 MIKE SCHREINER: Yeah, he threw Sellers  
9 Playbook right under the bus. Oh, we can show you, I  
10 mean, it's not -- but we can't stop you from doing it.  
11 Make sense? So we'll tell you what's going to work  
12 and not work, whether you listen to our advice or not,  
13 that's all on you. And I see that all the time doing  
14 this training as well. I tell people, all right,  
15 don't do this. What do you think the first thing is  
16 they do?

17 AUDIENCE: They do that.

18 MIKE SCHREINER: Yeah, what I told them not  
19 to do. Ooh, that brings up something interesting,  
20 too. After lunch today, I'm going to teach you guys  
21 how to do retail and online arbitrage. I'm going to  
22 show you how to do it start to finish. With that  
23 being said, please, please, please do not start doing  
24 it until Monday. And I say this because people get  
25 all excited and they go home Friday night and they go

1 out and they start doing it, and then where are you  
2 going to be all day Saturday? In here.

3 Right, so you get problems, you're trying to  
4 deal with shipping, you're dealing with all that  
5 stuff. You'll shoot yourself in the foot before you  
6 even get started, because, again, if you don't get it  
7 shipped in time, you have customers you're not getting  
8 back to, that will all affect your store ranking. So  
9 please wait until Monday. Fair enough? Okay.

10 So seed capital is money you come up with to  
11 do our deals, right? And I'll go over the different  
12 ways that we can use seed capital. And here's the  
13 thing. Can I use my seed capital to buy my knowledge,  
14 my mentor, my tools of a pro, yes or no?

15 Yes. Could I use my seed capital to pay for  
16 my earned income strategies, yes or no?

17 AUDIENCE: Yes.

18 MIKE SCHREINER: Yeah. So if you have  
19 credit, start with that. If you don't, you got to  
20 start with what you have. Here's the reason I say  
21 this. Too many times people get in their head, it's  
22 all or nothing, right? I'm either doing all of this  
23 this way or I'm not doing any of it. You have that  
24 attitude, I guarantee you will never be successful,  
25 because the all-or-nothing attitude will never get you

1 what you want. You've got to start with what you  
2 have. Make sense?

3 Now, can my seed capital also buy my  
4 passive, my asset protection, and my portfolio income,  
5 yes or no? Yeah, we can (inaudible) seed capital at  
6 all. In time, though, I want my earned income  
7 strategies now to pay for my mentors, my tools of a  
8 pro, my knowledge, right? I want my earned income to  
9 pay my passive and pay my portfolio, to pay my asset  
10 protection.

11 Can I then use my portfolio income to fund  
12 my passive income, yes or no? Yeah. Can I use my  
13 portfolio income to fund my asset protection down the  
14 road, yes or no? I can even use my portfolio income  
15 to fund my earned income, and here's the key. If my  
16 money never leaves the circle of wealth, where are my  
17 tax consequences?

18 There aren't any. See, this is what kills  
19 me all the time is I hear these consumer mindset  
20 people say, oh, the rich, it's not fair, they don't  
21 pay their fair share in taxes. Bull. I pay my fair  
22 share. I just don't pay any more than I have to.  
23 See, I'm going to teach you guys how to avoid tax  
24 consequences, not evade -- this is evade. We're not  
25 evading anything, okay? But we can avoid our tax

1       consequences. But, again, if my money is always  
2       moving and it never leaves that circle of wealth, I  
3       have no tax consequences.

4                   And, again, guys, that's why -- yeah, you  
5       bet I keep more of my money, but it's all within the  
6       letter of the law. I pay my fair share. Like I said,  
7       dollar amount, I guarantee I beat all of you. But  
8       percentage-wise, I'd put money that I pay less  
9       percentage-wise in taxes than anyone in this room.

10          But, again, we just know how to do it.  
11       Business gives us a lot of opportunity, and we'll talk  
12       more about that on Sunday. Any questions on this  
13       circle of wealth?

14                   Good. So when we talk about our tools, and  
15       like I said, I do want a few more tangible things,  
16       but, again, this is exactly what we're talking about.  
17       When we talk about tools that we tapped into, we're  
18       talking about a business plan, we're talking about our  
19       systems. We're talking about building a (inaudible)  
20       and then, of course, we're talking about our software.

21                   So there's really only five ingredients to  
22       success. So you've got specialized knowledge, tools  
23       of a pro, change in attitude, money, mentor, and then  
24       we're out of here for lunch. Now, let's break this  
25       down. I mentioned earlier today the biggest

1 difference between the wealthy and the not is  
2 leverage.

3 See, the middle class, they believe in a  
4 good education. They seek that job security, which we  
5 all know really is insecurity, right? They work for  
6 money, plan for the next paycheck, right? They worry  
7 about their raises. And all they want to do is get in  
8 the big home for themselves, and then they make small  
9 investments, right, like a CD. In fact, they -- they  
10 save their money. They use their own money, and they  
11 don't take risks.

12 The wealthy, though, we invest in a good  
13 education, a knowledge education. They teach us not  
14 to accept (inaudible) return. That always kills me.  
15 Build businesses, our money works for them. Again,  
16 generations, guys, three generations minimum is what  
17 we want to build that (inaudible) for. We're excited  
18 about building wealth. We invest our money. We  
19 leverage other people's money. And then we do take  
20 risks.

21 Again, there is risk in this business, guys,  
22 but everything we do is calculated. Again, if I know  
23 what my profit margin is going to be, if I know how  
24 many products I'm moving every single month and how  
25 often I'm going to win the buy box, where is my risk?

1 There isn't, right? Where's my fear? There isn't.

2 So it's just not knowing.

3 And I'll tell you all right now, and you're  
4 going to hear me say this dozens of times this  
5 weekend, ignorance is not an excuse. Okay, because  
6 it's not what you know that hurts you; unfortunately,  
7 it's what you don't know. And right now, for most of  
8 you all, is you just don't know what you don't know,  
9 you know?

10 All right. But the two different things  
11 here, guys, the biggest difference is leverage. And  
12 what we leverage -- other people's money, other  
13 people's time, other people's talents, other people's  
14 product lines. So (inaudible) private line, do I want  
15 other people selling my private product line, yes or  
16 no?

17 AUDIENCE: Yes.

18 MIKE SCHREINER: Yeah. Like I said, guys,  
19 I'll take 10 percent of a million sells versus 100  
20 percent of 50 sells. So that's exactly what we want  
21 to do. But, again, it's just getting the right people  
22 in place to know how to do it. So here's the key:  
23 knowledge replaces money all the time. Hands down.  
24 If I'm not using other people's money, does it matter  
25 how much money I have? Yes or no? No. If I can use

1 somebody else's, why would I need to worry about mine?

2 It's just learning how to get those other people.

3 So when we talk about money, guys, we've got  
4 to change what we think. Let me ask you this. How  
5 many of you in the room can find me 50 grand? How  
6 many of you can give me 50 grand, by a show of hands?

7 One, two of you. (Inaudible). If your hand  
8 is not in the air, my question to you is, who are you  
9 hanging out with. Because nowhere did I say it had to  
10 be what?

11 AUDIENCE: (Inaudible).

12 MIKE SCHREINER: Your money. Guys, who you  
13 hanging out with? And sometimes we surround ourselves  
14 with crabs in a bucket, don't we?

15 AUDIENCE: Yep.

16 MIKE SCHREINER: We've got negative people  
17 in our life, or we've got the fleas in a jar, right?  
18 They tried a business, they made a mistake, so they're  
19 going to downplay it all day long. Oh, it doesn't  
20 work, you're not making any money, just because they  
21 made a mistake.

22 Guys, 50 grand is nothing. I'd go find  
23 someone that had 50 grand on a credit card if I was  
24 going to make 20 percent on it. I don't care. I  
25 never said it had to be your money. I just said who

1 found it -- who could find me 50 grand.

2 See, for me to spend time to get to know  
3 somebody, they have to fit in three categories. Now,  
4 before you throw anything at me or judge me, let me --  
5 here, hear me out, okay? Number one, for me to hang  
6 out with people, number one, they have to make more  
7 money than I make. Number two, make at least as much  
8 money as I make. Or, number three, being on a path to  
9 make it happen for themselves.

10 I don't hang out with negative people. It's  
11 not worth my time. I don't believe in handouts, but  
12 I'm all about handups. In fact, when I was running my  
13 own garage, man, my techs hated me. In fact, I had  
14 one of my mechanics, he used to throw a fit all the  
15 time. He was like, oh, this sucks, and I'm not making  
16 as much and I -- I should get a better percentage and  
17 blah, blah, blah.

18 And I remember walking out there listening  
19 to him one day, and I said, you're right, man. I  
20 says, in fact, back your truck up, let's load up your  
21 tools, let's set you free. He immediately started  
22 backpedaling, well, you know, it's not that bad, and,  
23 you know, you're a great boss, right? I'm like, then  
24 shut up. For me, it's just not worth it.

25 In fact, I've got an older brother, to this

1 day, that every time we talk -- I only talk to him  
2 four times a year. CBDE me, Christmas, birth, death,  
3 Easter, right? Because every time I talk to him, all  
4 it is is, oh, you're so risky and I can't believe  
5 you've been so lucky. I'm like, luck has nothing to  
6 do with this, right? But I just -- I cut him -- I  
7 fired him. It's not worth my time.

8 In fact, last year, we did a -- we did a --  
9 we did it huge, and he found out, it was like \$140,000  
10 buy-in. And he's like, man, what are you doing? I'm  
11 like, what do you mean, Jared? You've been so lucky.  
12 I'm like, oh, my gosh. He works for a cable company.  
13 He thinks that's the way to make it work. I can't  
14 change the way he thinks, so it's not worth my time.

15 In fact, I was telling him, well, look, I  
16 still need someone to run cable at my house  
17 (inaudible). Right, whether they see it or not, guys,  
18 it doesn't change. In fact, my father-in-law, he's  
19 not a risk-taker. He has a huge family (inaudible)  
20 Dave Ramsey. In fact, if he knew how many credit  
21 cards we have, this guy would lose his mind. We just  
22 don't talk business. It's not worth my time.

23 In fact, some of you in this room, you have  
24 friends that are just like that. Fire them. Some of  
25 you may have family. Fire them. Some of you in this

1 room, it might be your spouse.

2 (Laughter.)

3 MIKE SCHREINER: I'm not going to  
4 (inaudible).

5 But you see where I'm going, right? See,  
6 I'm lucky. My wife -- win, lose, or draw, I tell my  
7 wife what I'm passionate about and what I think we  
8 should do. My wife will look at me and say, go get  
9 'em, Tiger. Right? She supports. She may not always  
10 (inaudible) but she supports. But people that are  
11 that negative, I just cut them out. It's not worth my  
12 time. I don't need to hang out with negative people.

13 The people that I hang out with, we talk  
14 about business. Man, I saw that product line you put  
15 together. I ran the numbers. I don't know how you  
16 made it work. (Inaudible) let me show how I hooked up  
17 with this manufacturer. We want to lift each other  
18 up. It's not that scarcity mindset, right? I -- I  
19 don't believe there's any competition out there  
20 because I want competition.

21 If there's competition on my product lines  
22 other than private label stuff, that means I'm in the  
23 right place. And if there's no competition, then I'm  
24 selling product that nobody else wants. I can't make  
25 people buy what I want to sell. I just want to sell

1 what people are already buying. So we got to get some  
2 of that out of our life, guys.

3 All right, are you guys ready to change your  
4 financial IQ, yes or no?

5 AUDIENCE: Yes.

6 MIKE SCHREINER: Because I'm telling you  
7 right now, guys, I'm going to turn everything you've  
8 been taught about money, about credit, upside down and  
9 inside out. My one big question right now, do you  
10 have to have good credit to do this business, yes or  
11 no?

12 AUDIENCE: (Inaudible).

13 MIKE SCHREINER: I love it. That's good,  
14 that's good. You always see that people say yep. You  
15 see a lot of people say nope. And there's always a  
16 few going, man, I hope not.

17 (Laughter.)

18 MIKE SCHREINER: Okay, here's the thing.  
19 You do not have to have good credit to do this or any  
20 business. But it can help. But you don't have to  
21 have it. Here's the thing. Do you think anybody I  
22 deal with right now gives a rip of what my credit  
23 score is? Yes or no?

24 AUDIENCE: (Inaudible).

25 MIKE SCHREINER: Not even a little. The

1       only thing that I -- people -- that people care about  
2       right now with me is what my history is and how much  
3       what? How much they're going to make with me. Right?  
4       They don't care about my credit score. Now, here's  
5       the thing about credit scores. Your credit score  
6       should look like a heartbeat. Your credit score  
7       should be going up and down, up and down.

8           It's not the score that we worry about right  
9       now, guys. It's credit history. Look, I'll tell you  
10      guys right now. My credit score right now is 793.  
11      Six and a half months ago, my credit score was 614.  
12      And, again, my credit score is going up and down.  
13      Every company I know, whether it's banks or those  
14      lines of credit, whether it's my credit cards, they  
15      see my credit history. It's not just credit score;  
16      it's credit history that they want to see. Do you all  
17      hear me?

18           Okay, so this is something you're going to  
19      have to change because some of us have been taught, we  
20      get our credit score and we got to hang onto that,  
21      right? Your credit score is only as good as you can  
22      utilize it. How many of you people in here know  
23      somebody that has great credit that can't even get a  
24      car loan? Yeah. So it's not just credit score,  
25      right? They have to have that credit history.

1           So let's talk about what it does to our  
2 credit. Now, does anybody know how we got these  
3 numbers today? They actually -- so to be fair, I  
4 haven't changed these yet, but the numbers just jumped  
5 again. But these numbers changed about 12 years ago.  
6 Does anybody know how we got this numbering system?

7           AUDIENCE: No.

8           MIKE SCHREINER: These numbers? Yes, no?  
9 Okay, how many of you know what TARP was? The  
10 Troubled Assets Relief Program, right? The big bank  
11 bailout? You guys remember that? Yes?

12          AUDIENCE: Yes.

13          MIKE SCHREINER: Okay, so here's what  
14 happened, guys. When these banks got bailed out about  
15 12 -- that's why I say, this changed about 12 and a  
16 half years ago. Here's what happened, is these banks  
17 got bailed out, yes? But they were still responsible  
18 now to pay back that money. So all these big banks  
19 now had to figure out how to (inaudible) money coming  
20 in, they still had to show a profit, but they had to  
21 pay off that loan as well. So they were struggling.

22          How many of you remember about 12 and a half  
23 years ago, you started getting credit card offer after  
24 credit card offer after credit card offer? You guys  
25 remember that, right? Do you guys remember when it

1 all of a sudden stopped? So here's what stopped it.  
2 See, what happened is these big banks were struggling.  
3 Well, what happened is FICO, Fair Isaac, right? Some  
4 of you guys know what that is, yes? Right,  
5 TransUnion, Experian, Equifax, they went to these big  
6 banks, and they said, look, we've got a solution for  
7 your problem, but what's in it for us.

8 Now, to this day, it's an undisclosed amount  
9 of money of what they taught these big banks and what  
10 I'm going to teach you all right now. So what they  
11 did is almost 12 years ago, the high you could have on  
12 your credit score was 800. That was the highest you  
13 could be. So what they did now is they jumped it to  
14 850. Well, that slid everything down. What that  
15 means, if you were in the lower part of an A ranking,  
16 you dropped to B. If you were anywhere as a B rank,  
17 you'd drop to C. Anywhere in C, you dropped to D.

18 Now, whether you know it or not, is  
19 everything you sign for at a financial institution,  
20 whether it's credit cards, bank loan, car loan,  
21 mortgages, it says in all of that paperwork, if your  
22 credit ever changes rankings, they can now increase  
23 your interest to the maximum amount and they do not  
24 have to tell you about it.

25 Guys, they forced this on us, and they did

1 it to us overnight. Right? How many of you remember  
2 that happened, right? You may have had a 10 to 11  
3 percent interest, and all of a sudden it jumped to 30  
4 percent. They can't just do it willy-nilly, but if  
5 you change rankings, they can do whatever they want.  
6 So they forced it on us.

7           Here's the thing, guys, you can no longer  
8 just bury your head in the sand and hope things work  
9 out. We've got to know where we sit with our credit  
10 score. Like I said, in the beginning, right, we'll  
11 play a bit of a role. You know, I have to have good  
12 credit and we got to know where you sit, but it's the  
13 credit history that we've got to build. And people  
14 have just been doing it the wrong way.

15           So let's talk about what builds our credit  
16 score. So 35 percent of your credit score is based on  
17 your payment history. So if you don't have good  
18 credit, you don't have to tell me why, I know why.  
19 Yeah, feel free to take a screen shot of this if you  
20 want. Number two, in your notes where it says amount  
21 owed, I want you to write to the amount available.  
22 Thirty percent of your score is based on what's owed  
23 to what's available.

24           Now, here's the thing about number two.  
25 You've only got two ways to change that number, right?

1 Number one, take down the bad debt. Number two, add  
2 new credit lines on top of it. So look at this way,  
3 guys. Let's say I have one credit card and I've got a  
4 \$5,000 limit and it's -- that card is maxed out.  
5 Well, to change number two, that 32 percent of my  
6 score, I can either pay that five grand off or I go  
7 get another credit card that will give me \$5,000.

8 If I double that limit now available, and I  
9 only have half of it due, does that change my score,  
10 yes or no?

11 AUDIENCE: Yes.

12 MIKE SCHREINER: Huge. Like I said, guys,  
13 30 percent of it is based on what's owed to what's  
14 available. Number three, your length of credit, 15  
15 percent, meaning how long have you had those credit  
16 cards. Number four is our new credit. This is  
17 something that 99 percent of Americans don't even  
18 know, because how many of you have one, two, three  
19 credit cards and you have good credit scores, but you  
20 haven't been able to get higher limits or a higher  
21 credit score? Have you guys had that issue, yes or  
22 no, right?

23 This is why, guys. To get that extra 10  
24 percent of your credit score, you got to be adding new  
25 lines of credit. They say once a year. You really

1 should be doing it every quarter, because if you've  
2 got three cards, all you've done is shown everybody  
3 those three cards trust you, but no one else does. So  
4 to get that additional 10 percent, we have to add new  
5 lines of credit.

6 And then, finally, number five, types of  
7 credit card. Now, when we talk about this, guys,  
8 we're only going to start using investor cards, not  
9 the consumer cards. Those are nothing that a Baby Gap  
10 card can buy you that's the regular cards cannot,  
11 okay?

12 So there's only five credit cards that we  
13 want to focus on. We're going to use Visa. Now, when  
14 I mention these cards, these cards cannot say debit.  
15 Okay? We want credit-credit cards. So we want Visa,  
16 Mastercard, American Express, Discover Card, and  
17 Victoria's Secret -- no, I'm just kidding.

18 (Laughter.)

19 MIKE SCHREINER: I'm just kidding. My wife  
20 loves that store. No, the fifth one is only going to  
21 apply to a few people, USAA credit cards. Do I have  
22 any military personnel in here? Now, hold your hands  
23 up, guys. Let me see.

24 AUDIENCE: I am.

25 MIKE SCHREINER: Awesome. Help me give

1 these guys a round of applause.

2 (Applause.)

3 MIKE SCHREINER: (Inaudible). Thank you for  
4 your service. This is one of the reasons I wear this.  
5 I don't know if you guys know what this is. This is  
6 an MIA-POW ID tag. I've very thankful for your  
7 service. My father was born and raised in Germany.  
8 Okay, and he got chased out of Germany just like  
9 everyone else did, came to the States. Because of the  
10 freedom he enjoyed, he served. So did both of my  
11 uncles. I've got two cousins right now. One's a  
12 Marine; the other one's a test pilot and a trainer for  
13 the Navy. What you guys do, you make it -- allow us  
14 to do what we do. So thank you so much for your  
15 service.

16 USAA, if you don't have those, the first  
17 three credit cards you can get from those guys I  
18 recommend going after them because they're great with  
19 their limits, they're awesome with their interest  
20 rates, because it's your service that's going to  
21 qualify more so than you personally.

22 But for the rest of us, guys, Visa,  
23 Mastercard, American Express, and Discover. Those are  
24 the only cards we want to be using, because there's  
25 nothing those other cards can get you. Now, I am all

1 about the club cards, right, the Costco, the Sam's  
2 Clubs, right, Cabella's. I'm a huge Cabella's guy.  
3 But here's the thing about those club cards you don't  
4 realize. So last year, Costco kicked out American  
5 Express. They now have the Visa. So my Visa card  
6 through Costco, I have a \$25,000 limit. They will not  
7 give me more. And here's why. Even though it's a  
8 Visa card, even though I can use it anywhere, Costco  
9 says you're never going to spend more than 25 grand  
10 with us. That's the way they look at this. Make  
11 sense?

12 So I'm all about those club cards, but you  
13 just got to remember, they can't give you those kinds  
14 of limits, right? Can you get over \$100,000 limit on  
15 your credit card, yes or no? Yeah. We got  
16 (inaudible) but you're not going to start there.  
17 Look, the bottom dollar of the day is when you call  
18 your credit card company saying, hey, give me a 100  
19 grand and you get it. Okay? You can get there, but  
20 there's a process to it. But that's what we want,  
21 guys. We've got to go after those investor-type  
22 cards.

23 Now, credit cards are just one strategy.  
24 But here's the thing, guys. What's easier? Is it  
25 going to be easier to earn some capital or raise seed

1 capital?

2 AUDIENCE: (Inaudible).

3 MIKE SCHREINER: Oh, man, it's always easier  
4 to raise. In two seconds in this room, I raised 100  
5 grand. I asked how many of you could find me 50  
6 grand; two hands went up; that's 100 grand. I can't  
7 earn 100 grand in two seconds, but I can raise it all  
8 day long. It's always easier to raise. In fact, some  
9 of you guys are sitting on your assets you're not even  
10 utilizing. So credit cards is one strategy  
11 (inaudible) to fund it, but there are tons of  
12 different ways to leverage other people's money or  
13 money that you already have that you're not utilizing.

14 So let's talk about the different sources of  
15 seed capital. Number one, pension plans. Now,  
16 there's just not a lot of them around anymore, but  
17 pension plans allow (inaudible) pull out almost 95  
18 percent of that (inaudible). But there's (inaudible).

19 Friends and family. Okay, so when it comes  
20 to friends and family, here's my caveat, guys. Wait  
21 until you've got some things going to prove your prior  
22 history because when we first started this, I had a  
23 friend of mine, his father passed away. Him and his  
24 sister sold their dad's house, right? So each of them  
25 made about 125,000. So I knew he got a good chunk of

1 money.

2 So I went to him and said, look, we're doing  
3 a purchase order, I need about \$32,000, I'll split the  
4 profit with you 50/50. He looked at me square in the  
5 eyes, and he said, Mike, you fixed my car last month,  
6 what do you mean you're an investor? I was like, all  
7 right, you know what, fair enough. So, I'm just  
8 saying, wait until you've got the track record, okay?

9 Federal, state, local governments; we'll  
10 talk more about how to negotiate with banks, how to  
11 deal with them. Life insurance policies, hmm, this is  
12 a big one. How many of you in here have a life -- a  
13 life insurance policy? Okay. How many of you have  
14 term life? How many have whole or universal whole  
15 life policies?

16 Aah, see, this is why the wealthy lean  
17 towards whole life or universal whole life policies.  
18 They build cash value. Term life policies do not.  
19 Now, we buy term policies in bulk, and then we convert  
20 them to whole life policies. And I'll explain why we  
21 do that on Sunday. But with my whole life policy now,  
22 with it building cash value, I can loan myself money  
23 out of that policy, go and do a deal, and then I'm  
24 just going to pay myself back. Guys, whole life  
25 policies are awesome, so that's why we like the whole

1 life. Term doesn't build any kind of cash value.  
2 There's no offsetting of inflation or (inaudible) term  
3 life.

4 401(k)s. How many of you in here have a  
5 401(k) at the job you're at? Okay. How many of you  
6 have a 401(k) from a previous job that you haven't  
7 done anything with? Okay, if you don't have a 401(k)  
8 and it's a (inaudible) if you're at the job right now,  
9 you can't move that money until you either quit or are  
10 fired. But if you had a previous job that had a  
11 401(k) and you've done nothing with that fund, it is  
12 right now a dead fund. You can't contribute to it,  
13 and it's not being managed. You have to move it.

14 Now, they'll recommend you moving it to an  
15 IRA, whether a straight IRA or a Roth IRA. What we  
16 do, what the wealthy do, is we lean towards something  
17 called a self-directed Roth IRA. In fact, I'm going  
18 to have the team pass out this form right here. This  
19 is from a company that we've teamed up with called  
20 Horizon. Now, what Horizon does is a self-directed  
21 Roth IRA. So let me show you why this works. And  
22 here's the thing, this is why I say they're going to  
23 pass this form out. I recommend all of you guys  
24 filling this out, and here's why. And you're not  
25 obligating yourself to anything.

1           What Horizon does, though, is they're going  
2 to send you a starter kit, and they will actually in  
3 about two to three weeks get you on the phone and do a  
4 consultation with you to see if this makes sense. If  
5 it makes sense, you do it. If it doesn't make sense,  
6 don't do it. But generally for them to give you the  
7 starter kit and do that consultation, they charge \$199  
8 to do that service. You guys fill this out this  
9 weekend and turn it in, they'll do it for free.

10           Now, now that I've explained why I suggest  
11 you fill this out, let me show you why we use self-  
12 directed Roth IRAs. Out of a 401(k), out of a  
13 straight IRA or a straight Roth IRA, not self-  
14 directed, I can loan myself money. Right? So how  
15 many of you know what your 401(k)s (inaudible) right  
16 now and you can give yourself a loan? Yes or no?  
17 Right.

18           Now, here's the thing. I can take money out  
19 of my 401(k), my IRA, my -- my Roth IRA. I can always  
20 say I need 10K to go to a purchase order. I can pull  
21 10 grand out of my 401(k), IRA, Roth IRA, right? I  
22 can go get the 10 grand, and then all I'm going to do  
23 then is pay myself back plus the interest. Now, do we  
24 pay taxes on borrowed money, yes or no?

25           AUDIENCE: No.

1 MIKE SCHREINER: No. So, again, it's a way  
2 I can get that money without paying taxes on those  
3 funds. But here's the thing, though. I can only  
4 contribute to any of my other retirement accounts by  
5 my age. So I can only contribute \$5,500 a year to my  
6 retirement account. My self-directed Roth IRA,  
7 though, I can grow it by hundreds of thousands of  
8 dollars every year tax-free. Here's why. Same  
9 scenario with a self-directed Roth IRA. I can pull 10  
10 grand out, go do a deal. Then when I flip those  
11 products, I pay that 10 grand back, plus now all of  
12 the profits will go back into this -- this Roth IRA  
13 tax-free. It's not a contribution. It's profit from  
14 the investment.

15 So if you have a 401(k) that you're no  
16 longer at that company, you need to move it. I  
17 recommend a self-directed Roth IRA. Whether you do it  
18 through Horizon or not, you need to move it. If you  
19 don't have a retirement account and you want to set  
20 one up, fill this out and turn it in. They'll set one  
21 up for you, guys. But I'm telling you right now, this  
22 is why we can grow our accounts by hundreds of  
23 thousands of dollars every year, and we do it all tax-  
24 free.

25 It's not a contribution. I can still only

1 contribute to this \$5,000 a year. But I'm growing it  
2 by hundreds of thousands of dollars because it's not  
3 my money. It's the profit from the investment.  
4 Everybody understand? So I recommend all of you fill  
5 this out.

6 Now, if you're happy with what you've got  
7 and you don't want to move it, don't fill it out. If  
8 you aren't and you want to do something with it or you  
9 need to set something up, fill this out and turn it  
10 in. You're not obligating yourself to anything.  
11 These guys do it for free this weekend when you fill  
12 it out and turn it in this weekend, they'll give you  
13 the option. If it makes sense, do it; if it doesn't  
14 make sense to you, don't do it. But at least you got  
15 the option to see what's going to work for you.

16 Personal bank loans. What's the problem  
17 with personal bank loans? You got to jump through all  
18 sorts of hoops, don't you?

19 AUDIENCE: Yes.

20 MIKE SCHREINER: You got to qualify and you  
21 got to prove this stuff. Here's the thing, too, guys.  
22 We no longer are doing business with big banks. The  
23 big banks do not care about you all. In fact, does  
24 anybody in here watch C-SPAN? C-SPAN? If you don't,  
25 you need to start, guys. Here's the thing. C-SPAN

1 interviewed the Bank of America president. They asked  
2 him how do you guys make your money. On national  
3 television, he said, we make our money off of the  
4 uneducated. I kid you not.

5 Guys, we no longer do business with the big  
6 banks. There's a lot of things they can't do, and  
7 there's a lot of things they just won't do for us.  
8 What we want to use are community banks. Now, there's  
9 only two ways to find a community bank. Number one,  
10 the legal description of the bank has to say  
11 "community bank," not their marketing.

12 How many of you in here have heard of  
13 Regency Bank? You guys heard of Regency? Yep,  
14 Regency markets themselves as a community bank, don't  
15 they? Regency Bank is Bank of America. They're not a  
16 community bank. The reason they put that bank out,  
17 the reason Bank of America created that bank is  
18 because after the TARP, they had a huge black eye,  
19 people didn't trust Bank of America. So they just  
20 rebranded and launched a whole new product line.

21 Do companies do that, yes or no? Oh, every  
22 day, guys. So they market themselves, hey, we're your  
23 -- we are a community bank for you. But when you look  
24 at it, it's Bank of America, they're not.

25 The other way, guys, is that will do

1 portfolio loans. Big banks cannot do it. Anybody  
2 that took TARP money cannot do a portfolio loan. See,  
3 portfolio loans do not have to follow FHA underwriting  
4 guidelines. So you don't have to have seas of money  
5 to get loans. You don't have to worry about the hoops  
6 we jump through for -- for VLOCs and ELOCs and all  
7 those different things.

8 But it's the legal description for portfolio  
9 lending, but we do not do business with big banks,  
10 guys. They just don't care. So why (inaudible) in  
11 fact, there are some of those big banks I cannot  
12 stand. Now, Wells Fargo and I (inaudible) we have  
13 gone the rounds, right, especially when it comes to  
14 business. Now, I use all their credit cards, but I  
15 never will have any of my accounts with those banks,  
16 because they just can't do what I need or want them to  
17 do. But we do want to tap into some of that.

18 HELOCs, does anybody know what a HELOC is?

19 AUDIENCE: No.

20 AUDIENCE: A line of credit.

21 MIKE SCHREINER: Yeah, it's a home equity  
22 line of credit, right? Access to the equity in your  
23 home. Some of you have a ton of equity in your home.  
24 And, again, your equity does you no good unless you  
25 utilize it. It's like your credit score. In fact, if

1 you think that that equity is such a thing you want to  
2 hang onto, then here's your homework assignment. At  
3 lunch today when you go and you pay for lunch, on the  
4 receipt, this is what I want you to write: I am  
5 giving you 0.0000001 percent equity (inaudible) and  
6 then put the address of the property. See how that  
7 works out for you.

8 Is it okay to leverage the equity in our  
9 homes in today's times, yes or no? What do you think?

10 AUDIENCE: No.

11 AUDIENCE: Yes.

12 MIKE SCHREINER: Yes. But here's the key.

13 You never want to leverage yourself more than 80  
14 percent globally. I saw a lot of people here in  
15 Florida go out of business overnight during the  
16 economy bubble because they were leveraged out 120,  
17 130 percent. They had nothing to recover from. But  
18 I'll tell you what, guys, equity in a home, unless  
19 you're utilizing it, it doesn't do any good.

20 Now, I have equity in my house that I live  
21 in. I don't have to use my HELOC to do my business  
22 anymore. I use it more for asset protection, and  
23 here's why. The HELOC is a revolving line of credit,  
24 right? It just works like a credit card, for those of  
25 you who don't know. You can use it and you pay it

1 back; you use it and you pay it back. But you only  
2 pay on that money if you use it. Once you set it up,  
3 you're not paying it, just like a credit card, right?  
4 You don't put money on our credit card, you're not  
5 making payments on the card. If you don't pull that  
6 HELOC out, you're not making payments on it.

7 The house I live in, we've lived there for  
8 about eight years now. I've got over \$400,000 in  
9 equity in our home. So I have a HELOC on it. Here's  
10 why. If somebody falls in front of my house, I can't  
11 hide the fact that I live there. Now, I have a law in  
12 my state. It's the same law you all have in your  
13 state. It's called the Homestead Law. What this  
14 means, if somebody wanted to sue you personally, they  
15 can't take the home you live in, it's your house, but  
16 they can sue you for the equity you have in your home.

17 So with me now, I have a HELOC on there. So  
18 if somebody slipped in front of my house and the title  
19 search is done, the lawyer's going to see that there's  
20 a mortgage on my home and a HELOC on my home. It  
21 doesn't tell him whether that money's used or not.  
22 All it shows on paperwork now is all of the equity is  
23 gone. If there's no equity in the home, there's no  
24 reason to sue me, the suit drops off.

25 So HELOCs are awesome. And, now, if I get a

1 (inaudible) check for 2-, 3, 400,000, I got the money  
2 right then and there. So I could fund my own stuff  
3 regardless. Make sense? Some of you all are sitting  
4 on a ton of equity and it's not doing you any good,  
5 guys. It's more of a target on your back than  
6 anything else. Do we live in a (inaudible) society?

7 Yes or no?

8 AUDIENCE: Yes.

9 AUDIENCE: We do.

10 MIKE SCHREINER: Yeah. What's easy for me  
11 to take in a lawsuit, property that's free and clear  
12 or one that's completely leveraged out? Always free  
13 and clear. So we got to utilize that money because  
14 the equity -- that's your money. You might as well  
15 use it to make more money with.

16 Money partners. Private money is  
17 phenomenal. We're going to talk about that. In fact,  
18 put this in your notes right now, guys. I just  
19 thought about it when I was talking about the HELOC.  
20 Own nothing but control everything. So, again, own  
21 nothing, control everything. I'd be willing to put  
22 money in in this room that I am the brokest person in  
23 this room. Oh, man, I got three credit union accounts  
24 in my name. And I think if you add all three of those  
25 together, I'm a little under \$800.

1               See, on paper, I'm broke, and I control  
2 accounts that have millions. From paper, I own  
3 nothing. We'll talk more about that on Sunday.

4               WCAP funding. Now, what WCAP is, guys,  
5 these guys do sourcing for businesses. So you can  
6 have them do this for you. These are the kind of  
7 businesses these guys have funded to do business.  
8 Now, the cool thing with WCAP, one of the things that  
9 they do, you can use their funding, it's unsecured  
10 revolving lines of credit.

11               In fact, how many of you would like to have  
12 access to a lender that every month or every quarter  
13 you can negotiate your limit, you can negotiate your  
14 interest rate, you can even negotiate when you make  
15 your payment. How many would like to get that kind of  
16 access? Yeah. Y'all already have it. It's called  
17 credit cards. Guys, you got to start looking at these  
18 differently.

19               They can get you unsecured revolving lines?  
20 Big deal, \$150,000. So there's two ways to raise seed  
21 capital. You can do it yourself. I'm going to teach  
22 you both ways. Or you can have these guys do it for  
23 you. These guys, their goal is to get you 0 percent  
24 cards that it'll do it at 12, 18 percent -- or 12 to  
25 18 months. Most credit cards right now, the average

1 interest is anywhere from 15 to 20 percent. So they  
2 can get you a 0 percent card.

3 So if you got a 0 percent card for 18 months  
4 and you've got \$150,000 available, how many times  
5 would you need to roll that money over before you  
6 start seeing some serious profit? I mean, you're  
7 talking your first quarter being in business, yes? So  
8 again, it kind of comes down to you're going to pay  
9 for the money, guys. You might as well as pay for  
10 this amount.

11 So you can use these funds to purchase  
12 inventory, right, for your products; or you can use it  
13 for your marketing expenses; you can definitely use it  
14 for your advanced education; become an investor,  
15 right? So you become the bank. Or you can even use  
16 it to pay off your high-interest loans, because some  
17 of you right now on your credit cards, you're paying  
18 25, 26 percent. You don't even know you're paying  
19 that kind of money.

20 So these guys can do it for you. In fact,  
21 what will happen is at the lunch break, you're going  
22 to meet with your consultant. So they're going to  
23 give you appointment cards of when your time is going  
24 to meet with them, but they'll also give you this  
25 CreditNav information.

1                   And here's the cool thing that I do  
2 recommend with CreditNav. They will give you all  
3 three of your credit scores for a buck, including your  
4 credit history. Then, you can figure out -- because  
5 if they don't hit that guarantee, that 50- to 100  
6 grand, you don't pay for their services. If they  
7 guarantee you that kind of money, you think you're  
8 going to pay for that service, yes or no?

9                   AUDIENCE: Yes.

10                  MIKE SCHREINER: Oh, yeah, guys. They're in  
11 business, okay, they got to make some money. But  
12 you're not paying for it up front either. They'll  
13 just -- because what they're doing is they're  
14 basically sourcing credit cards for you. Now they can  
15 do it where it's always soft hits and it won't affect  
16 your credit score. So many people get concerned about  
17 credit scores, right?

18                  So here's the thing, guys. When they do a  
19 hard pull on your credit, you're talking anywhere from  
20 one to five points. I have never seen it greater than  
21 three points. But people get so worried about that.  
22 All you got to -- to get one increase or one new  
23 credit card, you're going to far surpass that three-  
24 point hit, that two to three-point hit because,  
25 remember 30 percent of your credit score is based on

1 what's owed to what's available. So remember, it's  
2 not what it costs, guys; it's only what it's going to  
3 do for you.

4 So these guys can do it all for you, and the  
5 way that they do it, they can shadow the hits, so you  
6 can get one credit line without having those run, and  
7 that's something that actually -- anymore, guys, it's  
8 a lot of soft pulls. And that's something the Obama  
9 Administration did that I agree with, right, because  
10 now it's not going to affect your credit that great,  
11 but even if it does, again, don't step over dollars to  
12 pick up your pennies, if you see what I'm saying.

13 Okay, so, you can have them do it, and they  
14 can get you a lot more, or you can do it yourself. So  
15 you can give yourself credit card financing. Now, let  
16 me ask you this, guys. How many credit cards are too  
17 many? Yeah, I agree, I don't think there's a number.  
18 In fact, my wife and I, our goal is fifty. Fifty.  
19 And we are close.

20 But here's the thing. I'm not a believer  
21 that you can have access to too much money. You just  
22 can't. And the worst thing I can think of in business  
23 is when you find a deal that you know is a deal that  
24 you're going to make money with, and you can't do it  
25 because you have to set yourself up to make it happen.

1 I never want to walk away from a deal that I know is a  
2 deal that I can make -- I can make 60, 70 percent  
3 profit just because I don't have the funding in place.  
4 Because I'll tell you all right now, guys, when you  
5 need the money, you'll never find it, right?

6 So this is why we source all the time. So  
7 I'm going to teach you both ways. Now, here's the  
8 caveat. If you're going to let these guys do it for  
9 you, you cannot do it yourself, because the way that  
10 they're negotiating with these credit card companies,  
11 their (inaudible) is to get you the higher limits with  
12 the zero percent. If you want to do it yourself, I'm  
13 going to teach you both ways.

14 The only reason I'm going to teach you the  
15 other way is once you get these lines of credit with  
16 CreditNav, you can now start going out there and  
17 getting increases on your own. So I'm going to teach  
18 you both ways, but if you're going to get these guys  
19 to get your funding, see if they can do it. If they  
20 can't do it, do it on your own. If they're not  
21 getting the amount you want, do it on your own. But  
22 I'm going to teach you both ways to negotiate. Fair  
23 enough?

24 AUDIENCE: Yeah.

25 MIKE SCHREINER: So when it comes to our